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Message Text

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41
ACTION EB-07

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 /108 W
---------- 033459
R 131619Z JUN 75
FM USMISSION GENEVA
TO SECSTATE WASHDC 3728
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY LONDON
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
USMISSION EC BRUSSELS

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E.O. 11652: N/A
TAGS: GATT, ETRD
SUBJECT: GATT BALANCE OF PAYMENTS PROCEDURES

REF: GENEVA 3076 (NOTAL)

BEGIN SUMMARY: BALANCE OF PAYMENTS COMMITTEE CONSIDERATION
OF GATT BOP PRACTICE AND PROCEDURES IS MOVING TOWARD JULY 4
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DISCUSSION OF WHAT QUESTIONS OR OBSERVATIONS TO FORWARD TO

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COUNCIL ALONG WITH SECRETARIAT'S SURVEY PAPER. APPEARS JAPAN
AND SOME EC COUNTRIES ARE RELUCTANT BUT NOT UNMOVALBE ON SUBJECT
TRANSMITTING COVERING QUESTIONS TO COUNCIL AND OF POSSIBLE
FURTHER COMMITTEE WORK IN AREA GATT BOP PROCEDURES. RECOMMEND
WASHINGTON CONSIDER EARLY LOW-KEY REPRESENTATIONS IN
CAPITALS. END SUMMARY.

1. DUNKEL IS STILL IN PROCESS OF COMPILING CHAIRMAN'S LIST
OF QUESTIONS ON GATT BOP PROCEDURES MENTIONED IN REFTEL.
ON JUNE 4 HE INVITED A FEW KEY COMMITTEE MEMBERS TO
INFORMAL DISCUSSION AND SUGGESTED LISTING THE GENERAL
TOPICS DESCRIBED IN PARAS 6 AND 7 OF REFTEL, ADDING
THE POSSIBILITY OF INVITING THE COUNCIL TO CONSIDER
REMEDIAL RULES AND PROCEDURES.

2. EC AND JAPAN LISTENED QUIETLY AND THEN BEGAN TO
DIVE FOR WINDOW. EC SAID THEY STILL COULD NOT AGREE
TO ANY LISTING WITHOUT COPIOUS SCREENING OF EACH
PROPOSED QUESTION BY MEMBER STATES AND SAID COMMITTEE
WORK COULD NOT BE PERMITTED INTERFERE WITH MTN.
JAPAN (REPRESENTED BY STAND-IN RATHER THAN NEW BOP
COMMITTEE REP, WHO WAS OUT OF TOWN), SAID SPEC(75)1/REV.1
SURVEY SHOULD BE SUBMITTED TO COUNCIL WITHOUT ANY
COVERING QUESTIONS AT ALL. WE NOTED THAT JAPAN AT
LAST FORMAL COMMITTEE SESSION HAD EVENTUALLY AGREED, BUT
SAID LIST OF QUESTIONW WOULD HAVE TO BE UNANIMOUSLY AGREED.
WE OBSERVED COMMITTEE HAD ALREADY AGREED THAT ITS WORK
WOULD NOT PREJUDICE MTN AND THEN SUGGESTED THAT LIST
OF QUESTIONS, WHEN COMPLETE, BE CONVEYED UNDER COVERING
PARAGRAPH WHICH A) NOTES THIS FACT AND B) ADDS THAT
THE QUESTIONS ARE SIMPLY SUBJECTS WHICH COME TO MIND
FROM READING REPORT WHICH COMMITTEE HAS ALREADY
INFORMED COUNCIL IT PREPARING. WE ALSO SAID ANY
SPECIFIC SUGGESTION OF REMEDIAL RULES BY COMMITTEE
WOULD BE PREMATURE.

3. EC THEN SAID THEY WOULD PROBABLY BE ABLE GO ALONG
WITH SOME QUESTIONS ON "MAIN POINTS" IMPLIED BY
SPEC(75)1/REV.1 REPORT. JAPAN CONTINUED LOOK
UNCOMFORTABLE. CANADA, SWEDEN SUPPORTED CONCEPT OF
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LIST OF QUESTIONS AS BEFORE. IN FURTHER FOLLOW-UP
SESSION JUNE 12 WITH U.S. AND GATT STAFF ONLY, DUNKEL
REFINED HIS CHAIRMAN'S LIST OF QUESTIONS/OBSERVATIONS
INTO FOLLOWING CATEGORIES, WHICH HE PROPOSES SUBMIT
TO FORMAL BOP COMMITTEE SESSION JULY 4:

I. NON-UNIFORM TREATMENT

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A. SOME COUNTRIES NOTIFY BOP RESTRICTIONS AND
OTHERS DON'T.

B. SOME EXAMINATIONS PERFORMED BY BOP
COMMITTEE, OTHERS BY SPECIAL WORKING PARTIES.

C. SOME MEASURES ARE TREATED BY WAIVERS, OTHERS
BY AGREED CONCLUSIONS.

II. ADAPTATION TO ESTABLISHED PRACTICE

COMMITTEE HAS LONG HAD TO DEAL WITH QR AND
NON-QR MEASURES. SHOULD COMMITTEE'S TERMS OF
REFERENCE ADDRESS REALITY OF THIS PRACTICE?
DOES THIS ESTABLISHED PRACTICE REQUIRE EXAMINA-
TION OF THE GATT LEGAL FRAMEWORK?

III. DIFFICULTIES IN FOLLOW-UP ACTION

AFTER A COUNTRY DISINVOKES GATT BOP COVER,
COMMITTEE HAS NO MEANS ASCERTAIN WHETHER ITS
RECOMMENDATIONS HAVE ACTUALLY BEEN IMPLEMENTED.

IV. WORKING ARRANGEMENTS

A. SHOULD GATT ESTABLISH PROCEDURES TO COMPLY
WITH ART. XV:1 PROVISIONS TO COORDINATE WITH
IMF ON COMMERCIAL ASPECTS OF EXCHANGE
RESTRICTIONS?

B. SHOULD THE SECRETARIAT PREPARE DOCUMENTATION
IN ADDITION TO THAT PREPARED BY THE CON-
SULTING COUNTRY?
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WHEN CHAIRMAN'S LIST APPEARS IN FINAL PRINTED FORM,
WE WILL POUCH TO WASHINGTON.

4. COMMENTS: MISSION IS WORKING CLOSELY WITH MTN DEL
ON THIS EXERCISE. DUNKEL CLEARLY INTENDS PUSH THE
MAJOR POINTS OF INTEREST TO U.S. DESCRIBED STATE 36542;
WE NOW TRYING KEEP HIM FROM SCARING OTHERS AWAY BY
MOVING TOO FAR TOO FAST. MEANWHILE, EC POSITION IS
SOURCE OF PREPLEXITY. AT EACH SESSION, FORMAL OR
OTHERWISE, EC REP (DUGIMONT) CONTINUES FIRST TO IMPLY
FLOT OPPOSITION TO WHOLE PROJECT AND THEN GIVE GROUND.
UNDERSTAND LUYTEN IN EC COMMISSION IS PERSONALLY
POSITIVE TO SOME FORWARD MOVEMENT ON BETTER BOP PRO-
CEDURES, BUT HE MAY STILL HAVE CONSTRAINTS IMPOSED BY

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MEMBER STATES.

5. ACTION REQUESTED: AS SEVERAL DELS SEEM TO BE GENUINELY PONDERING WHETHER THEY CAN FIND A WAY TO GO ALONG, WASHINGTON MAY STILL WISH CONSIDER POSSIBILITY OF LOW-KEY U.S. REPRESENTATIONS IN CAPITALS TO ENCOURAGE MORE FORTHCOMING ROLES BY JAPAN AND MAJOR EC COUNTRIES. WE NOTE THAT FORMER JAPANESE AMBASSADOR KITAHARA HAD BEEN RECEPTIVE TO THE PROJECT. IF WASHINGTON AGREES THIS WOULD BE USEFUL, HOPE IT COULD BE DONE IN TIME FOR REPRESENTATIONS IN CAPITALS TO INFLUENCE POSITIONS OF OTHER DELS BEFORE JULY 4 RPT JULY 4 SESSION OF BOP COMMITTEE. DALE

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